GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3205
ANSWERED ON:15.03.2000
VIZAG STEEL PLANT
SAMUDRALA VENUGOPAL CHARY

Will the Minister of STEEL be pleased to state:

(a) whether the Vizag Steel Plant has been compelled to drop one steel melting shop and one of the rolling mills due to financial crunch;

(b) if so, the reasons therefor; and

(c) steps likely to be taken by the Government in this regard?

Answer

MINISTER OF STATE FOR STEEL
(SHRI DILIP RAY)

(a) Yes, Sir.

(b) During the implementation of the project, one steel melting shop and one of the rolling mills had been dropped from the project due to fund constraints.

(c) RINL (VSP)had submitted a comprehensive turn around proposal for its revival which inter-alia included waiver of losses. The Disinvestment Commission has recommended writing off of the entire accumulated losses of the company as on 31.3.1999 alongwith disinvestment of not less than 51% of its remaining equity in RINL to a strategic buyer. No final decision has yet been taken on these recommendations.